ERIC Document Resume	See Instruction Sheet	DATE OF RESUME	DATE RECEIVED

A. PUBLICATION DATA

1. ERIC NUMBER	2. ORIGINATOR CONTROL NO(S).	3. IDENTIFICATION NO.	DO NOT WRITE IN SPACE BELOW
ED001396	N.A.	N.A.	

4. AUTHOR(S):
Somers, Gerald G.

5. TITLE OF DOCUMENT ABSTRACTED:
Retraining the Unemployed: A Preliminary Survey

6. PUBLICATION TITLE:
N.A.

7. EDITOR(S):
N.A.

8. PLACE OF ORIGIN
University of Wisconsin
ORG.
Madison, Wisconsin
ST.
CITY, STATE

9. PUBLISHER OR SOURCE Subcommittee on Manpower - Committee on Urban and Public Welfare, U.S. Senate, Washington, D.C.

10. VOL.	11. PAGES	12. MO./YR.	13. TOTAL PP.
N.A.	N.A.	6/63	21

TELE. EXT.
INST/LOC CODE

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TYPE OF REPORT
PROPOSAL ☐
IN-PROGRESS ☒
FINAL ☐
FOLLOW-UP ☐

OTHER ERIC REFERENCES:

ERIC SATELLITE CODE

B. INDEXING DATA

14. SUBJECT AREA

15. TYPE OF ENDEAVOR
report

16. INDEXING TERMS (6-12)

improved general welfare		unemployed		
long-run economic growth		short-run employment increase		
retrainee's attitude		unemployment		
dropouts	selection standards	re-training		

17. ABSTRACT (MAX. 250 WORDS)

The survey, conducted in West Virginia, involved people who completed a training course under the Area Redevelopment Act, those who did not begin or dropped out of training, those who were denied training because of test results, and those who were working instead of being retrained.

The objectives of retraining were short-run increase in employment, long-run economic growth, and the improvement in the welfare and general well-being of the trainees and society.

ERIC No.

18. SOURCE OF ABSTRACT

C. FUNDING DATA

19. SUPPORTING ORGANIZATION

20. DIVISION OR DEPT.

21. CONTRACT NO.

PROJECT NO.

22. TOTAL COST OF PROJECT

23. DURATION OR PROJECT

U.S. Department of Health, Education, and Welfare
Office of Education

ERIC Form 1

Summary

Rural (2)

RETRAINING THE UNEMPLOYED: A PRELIMINARY SURVEY

Statement of Gerald G. Somers, Professor of Economics
University of Wisconsin*

Before the Subcommittee on Manpower,
Committee on Labor and Public Welfare, U.S. Senate

ED001396

June 7, 1963

1. Criticisms of the government retraining programs have stemmed primarily from dissatisfaction with their limited impact on current problems of unemployment. But the accomplishments of this new venture in labor market policy must be appraised in the light of the overall objectives of government-subsidized retraining: 1) the immediate reduction of unemployment, 2) long-run economic growth, and 3) the general well-being of the trainees and society.

2. Even if it can be shown that the retraining legislation has been too recent and too small-scale to have a significant effect on employment levels in the current state of the economy, the programs can be justified on the grounds of their potential contribution to long-run growth and the general welfare.

3. Although government statistics provide general information on the characteristics of trainees and their employment experience, little detailed data are available on the employment effects and other aspects of the retraining programs. The information presented in this statement is based on preliminary findings of a research project, financed by the Ford Foundation, designed to evaluate retraining in West Virginia and a few other localities in the United States.

4. A number of minor deficiencies in the administration and qualitative aspects of the retraining programs are noted, but these are now being corrected with increased experience. Of more serious consequence is the bypassing of many of the hard-core unemployed in the selection of trainees. The West Virginia surveys indicate that those whose applications for retraining were rejected were older than the trainees. These "rejects" had a substantially lower employment ratio than the trainees in the period immediately following the training completion. Presumably the placement ratio of trainees, now 65-70 per cent for all ARA and MDTA courses, would be lowered further if current "rejects" were included. But long-run considerations support their inclusion.

5. Drop-outs from the retraining courses enjoy a higher employment ratio than trainee graduates in the first few months after completion of the course; but trainees achieve a higher placement ratio than drop-outs with the passage of time.

6. Since the employment ratio of trainees increases progressively in the first nine months after completion of the course, there is a danger in generalizations based on early placement data for trainees.

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7. A relatively high proportion of the female trainees, especially in such service occupations as nurse aides and waitresses, have only a marginal attachment to the labor market and are found to have withdrawn from the labor force shortly after completion of their retraining.

8. In McDowell County, West Virginia, there has been a substantial out-migration of trainees. Over 40 per cent indicated that retraining helped induce mobility; but their employment ratio is no higher than the non-mobile, and leads to the conclusion that relocation allowances might serve their most useful role in prompting a more rational relocation.

9. Government subsidized on-the-job training gives greater assurance of job placement than more generalized training, but the evidence of present programs geared to a specific employer indicates the danger that the hard-core unemployed are even more likely to be by-passed in such programs.

10. Employers who have hired trainees in West Virginia are generally favorably disposed toward the program, but they urge longer courses, better screening of trainee applicants, and increased efforts toward training-related job placement. A significant number of employers would prefer government subsidized on-the-job training to the present ARA and MDTA arrangements in the vocational schools.

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Retraining has assumed a somewhat anomalous position in the arsenal of policies designed to combat structural unemployment. The basic concept is as old as education itself, and yet it is now on everyone's lips; it has been proposed as the panacea for all of our labor market ills, and yet it has had only a minor impact to date; it has been incorporated as a central feature of three important federal enactments in the past two years, and yet there has been little effort to evaluate its effectiveness.

Other statements made before this committee haveably presented the historical development of retraining programs and national data on trainees and their job placement under the Area Redevelopment Act and the Manpower Development and Training Act. The present statement is based on a more microscopic view of retraining in action in a few selected areas. Since the research is still in progress only preliminary findings are available, and these are concerned primarily with the ARA and state progress rather than the recently-instituted MDTA courses.

Field Surveys in West Virginia

The major research concentration has been in three areas of West Virginia. West Virginia was selected for intensive study because of the prevalence of areas of chronic labor surplus within the state, the establishment of one of

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*This statement is based on research conducted under a grant from the Ford Foundation for the evaluation of retraining programs for unemployed workers in depressed areas.

the few formal programs for retraining the unemployed under state legislation in 1960, and the early and widespread inception of retraining courses under the Area Redevelopment Act in a number of the state's depressed areas. The selected areas are Harrison-Monongalia Counties, mixed coal-mining, industrial and agricultural areas in the northern part of the state; Huntington-Charleston, the state's major cities, located in the western-central sections; and McDowell County, a predominantly coal-mining area in the southern part of the state.

In each of these areas, a sample of 500 respondents was selected for interview. The sample consists of (1) those who have completed a training course under the Area Redevelopment Act or the West Virginia state legislation (approximately 40 per cent of the sample); (2) those who were selected for training on the basis of tests and other criteria, but who either did not begin their training or dropped out of the course prior to completion (approximately 20 per cent of the sample); (3) those who applied for training but who were not referred to training by the employment service because of their test results or other reasons (approximately 10 per cent of the sample); and (4) a sample of workers, selected from the active and inactive files of the employment service office in each area, who were unemployed during the period in which the training courses were being inaugurated but who did not apply for training (approximately 30 per cent of the sample).

The selection of these four sub-samples for interview permits a comparative analysis between the subsequent employment experience and mobility of those who successfully completed the retraining program, and control groups of workers who were at specific and progressive stages of distance from completion of a retraining course.

The areas and courses selected for study also facilitate a comparison between the results of training in the same occupation in different areas,

different occupations in the same area, state and federal programs in the same area, and between general training and training geared to the needs of a specific employer.

A single, detailed questionnaire was used in these interviews, with appropriate sections for the various control groups. Each respondent was asked to sign a form which will authorize access to his social security data. Approximately 95 per cent have done so, thereby permitting a follow-up of their employment experience in the future.

Since almost 30 per cent of the training-related respondents selected for interview in each area had migrated from the area, it was necessary to prepare a questionnaire to be distributed to them by mail. A response rate of approximately 50 per cent is expected in the mail survey. Interviews are also being conducted in several areas where the out-migrant trainees have concentrated, such as Norfolk-Newport News, Virginia; Washington, D.C.; Baltimore; Akron-Cleveland; Columbus and Chicago. It has been necessary to rely on the mail questionnaire for the more scattered out-migrants, however. In order to obtain later information on the employment experience of the trainees and control groups, a follow-up mail questionnaire has been distributed, with a response rate, thus far, of approximately 70 per cent. Non-respondents in West Virginia are now being interviewed. Questionnaire schedules designed to appraise the quality of the training courses - directed to employers, instructors and Employment Service officials - have also been constructed and are being used in the various areas of the research.

In addition to the major concentration in West Virginia, field surveys of retraining experience are also being conducted by investigators associated with this project in several areas where the general appraisal of national programs suggested that such an investigation would be fruitful. In each case

these additional case studies provide a useful comparison with the West Virginia experience or offer an opportunity to study training and mobility characteristics which are not available in the West Virginia surveys. Comparability of results will be furthered by use of the same or similar questionnaire designs, and codes in all areas.

The area case studies include Pottsville and Phoenixville Pennsylvania; Pittsburgh, Pennsylvania; Carbondale and McNair, Illinois; Detroit and Lansing, Michigan; Knoxville, Tennessee; Evansville, Indiana; Fall River, New Bedford and Lowell, Massachusetts; Bridgeport, Ansonia Norwich and New London, Connecticut, and Antigo-Rhinelander and La Crosse, Wisconsin.

The preliminary findings reported in this survey are based primarily on the West Virginia surveys.

Objectives of Retraining

The conclusions reached by a number of critics of retraining are disheartening. They are disheartening not because retraining lacks potential for long-run good, but because the programs to date appear to have had such limited short-run impact on the hard core of unemployment. The disillusionment is greater because the initial expectations were so high. In the various Congressional hearings on unemployment policies, retraining proposals met with an almost "unanimous chorus of praise." After all, training is education, and who can be opposed to education? Training is the vehicle for occupational mobility, and in a dynamic economy of structural change who can be opposed to mobility?

But the expectations and current experience must both be seen in perspective. Retraining has three major objectives: 1) short-run increase in employment; 2) long-run economic growth; 3) improvement in the welfare and general well-being of the trainees and society. Regardless of any short-run deficiencies, there can be little doubt that retraining the unemployed, like the educational

process as a whole, is a worthwhile enterprise from the standpoints of the long-run economic growth of the American economy and the general well-being of its citizens. Indeed, some authorities are now saying that the investment in human resources, through education and training, has accounted for a greater part of our economic growth than the investment in capital equipment. Even if immediate employment does not result, the acquisition of new skills and knowledge by the unemployed is likely to make some future contribution to their own advancement and that of the economy.

Retraining allowances will usually take the place of unemployment compensation or relief payments for unemployed workers. Even if there were small additions to the costs for society, in what better way can the unemployed spend their moments of enforced idleness than in the acquisition of new skills? Our research provides ample evidence that retraining can give a new sense of pride, confidence and social status to unemployed workers; and these represent substantial social gains regardless of immediate labor-market consequences.

Therefore, one may well favor a greatly expanded program for retraining of the unemployed even if it could be demonstrated that no immediate jobs were created thereby. But most of those who have supported recent retraining measures have been more concerned with the current problems of unemployment than with long-run growth and well-being. And herein lies the disillusionment. The short-run concern can be seen in the MDTA provisions which restrict retraining to those who have a "reasonable expectation of employe"; in the incorporation of retraining provisions in the Area Redevelopment Act's attack on depressed areas; in the inclusion of retraining to meet the dislocation which may result from the Trade Expansion Act; in the retraining provisions espoused in the Youth Conservation Bill; and in the many state and local efforts to reduce relief rolls through retraining.

Immediate Employment Effects of Retraining

It is clear from national statistics as well as our own surveys that government-subsidized retraining has achieved only minor reductions in unemployment to date. This is primarily because of the limited period of experience with retraining, the small scale of the enterprise, and the state of the economy. In small part, the poor showing stems from deficiencies noted in a number of criticisms of the current programs; and our own research, although still in process, supports many of these findings. Some deficiencies are minor. They are recognized by the training authorities and can be corrected with the passage of time. Our responses from trainees, employers, unions and government officials indicate that some of the current ARA and MDTA courses are too short for the occupational objectives they seek to achieve; equipment is often inadequate in quantity and quality, and frequently it is available to unemployed trainees for only a few hours in the evening; instructors may be out of touch with the latest techniques; training allowances are often inadequate; retrained workers are not provided the tools which they are expected to bring to the job; local advisory committees have not always functioned effectively; and the complicated relations between the Office of Manpower, Automation and Training, the Bureau of Employment Security, and Health, Education and Welfare--both in Washington and at the local level--have sometimes served to delay the inception of programs and impair their effective functioning.

However, these are growing pains; many of these problems are now being solved and they can be expected to diminish further as greater experience is gained. The relatively meager accomplishments of the retraining programs to date are basically attributable to the fact that they have just begun, but the real concern for their future success stems from more fundamental causes.

The crucial issues are (1) whether the retraining programs are currently enrolling the hard-core of the unemployed, and (2) whether sufficient job vacancies now exist to justify a substantial lowering of selection standards.

The answer to the first question clearly depends on one's definition of hard-core unemployment. The national data indicate that the ARA and MDTA trainees include more long-term unemployed but fewer older and less-educated workers than are found among the unemployed as a whole in the areas from which they are drawn. This has led some to recommend that selection standards be lowered so as to include more hard-to-place workers. From the standpoint of long-run economic growth and general well-being this would be justified, but such a lowering of standards would probably lead to a lower placement ratio in the present status of the economy.

Even under the present selection standards the placement ratio of ARA trainees is 65 per cent and of MDTA trainees, 70 per cent, according to national data sources. The data in Tables 1a and 1b, pertaining to our West Virginia surveys, provide some preliminary findings concerning the employment experience of those who completed ARA and West Virginia retraining courses relative to those who were found unacceptable for referral to training, as well as to those who did not report for training following their acceptance and those who dropped out of the training course prior to its completion. The tables also indicate the significance of the passage of time as an influence on employment experience following retraining.

Table 1a refers to the status of the West Virginia workers at the time the sample was drawn for the initial interview surveys in the summer of 1962. Most of the respondents had only a short period of employment experience following completion of the training course. Some, however, had been enrolled in a course (or had applied for a course) more than thirteen months prior to

TABLE 1a

LABOR FORCE STATUS OF TRAINEES AND CONTROL SAMPLE, BY TRAINING STATUS AND TIME ELAPSED SINCE RETRAINING

RETRAINING STATUS (SUMMER 1962)	TIME LAPSE AFTER RETRAINING																							
	ONE MONTH								THREE MONTHS								SIX MONTHS							
	Labor Force Status								Labor Force Status								Labor Force Status							
	Empl.		Unemp.		NLF		Total		Empl.		Unemp.		NLF		Total		Empl.		Unemp.		NLF		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Not Referred[1]	24	37	39	60	2	3	65	100	21	42	29	58	0	0	50	100	10	45	12	55	0	0	22	100
Did Not Report[2]	19	39	24	49	6	12	49	100	15	43	15	43	5	14	35	100	12	57	7	33	2	10	21	100
Drop Out[3]	78	53	58	39	12	8	148	100	60	54	42	38	9	8	111	100	47	64	21	29	5	7	73	100
Complete[4]	163	47	148	43	35	10	346	100	133	50	107	41	24	9	264	100	91	62	42	29	14	10	147	100
Total Sample	608								460								263							

RETRAINING STATUS (SUMMER 1962)	TIME LAPSE AFTER RETRAINING									
	NINE MONTHS								TWELV	
	Labor Force Status								Labor F	
	Empl.		Unemp.		NLF		Total		Empl.	Unem
	#	%	#	%	#	%	#	%	#	%	#	%
Not Referred[1]	5	50	5	50	0	0	10	100	4	57	3	4
Did Not Report[2]	11	79	2	14	1	7	14	100	8	73	3	2
Drop Out[3]	34	62	17	31	4	7	55	100	29	59	16	3
Complete[4]	50	61	21	26	11	13	82	100	39	62	15	2
Total Sample	160											

Source: West Virginia Field Surveys, Summer, 1962. Responses omitted from this sample tabulation lacked sufficiently -data to permit a time period analysis.

1 Applied for, but not referred to training; 2 Accepted for, but did not report to training; 3 Withdrew from course pric

TABLE Ib

Training and Labor Force Status, First Follow-Up, Mail Questionnaire, April, 1963, by Area.

McDowell County, West Virginia (Welch)

Training Status, Summer 1962

Labor Force Status, April 1963	Complete		Drop Out		In Training		Did Not Report		Not Referred		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Employed	42	66.7	48	63.2	11	45.8	14	60.9	6	31.6	121	59.0
Unemployed	13	20.6	24	31.6	11	45.8	9	39.1	9	47.3	66	32.2
Not in the Labor Force	8	12.7	4	5.2	2	8.8			4	21.1	18	8.8
TOTAL	63	100.0	76	100.0	24	100.0	23	100.0	19	100.0	205	100.0

Kanawha County, West Virginia, (Charleston)

	Complete		Drop Out		In Training		Did Not Report		Not Referred		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Employed	15	88.2	1	33.3	26	100.0			13	68.5	55	84.6
Unemployed	2	11.8	2	66.7					4	21.0	8	12.2
Not in Labor Force	0	0							2	10.5	2	3.2
TOTAL	17	100.0	3	100.0	26	100.0			19	100.0	65	100.0

Cabell County, West Virginia (Huntington)

	Complete		Drop Out		In Training		Did Not Report		Not Referred		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
Employed	37	50.0	15	68.2	1	100.0	6	85.7	7	41.2	58	54.5
Unemployed	23	31.1	6	27.3			1	14.3	9	52.9	36	32.2
Not in the Labor Force	14	18.9	1	4.5					1	5.9	14	13.3
TOTAL	74	100.0	22	100.0	1	100.0	7	100.0	17	100.0	121	100.0

the interview, thereby enabling a lengthier time-period analysis of their post-training course experience.

It is seen that those who were found unacceptable for retraining had a lower employment ratio throughout the period in comparison with those who completed the retraining course or who had dropped out of the course after initial enrollment. Whereas only 37% of the workers who had not been referred to training were employed one month following completion of the training course, 47% of those who completed training had found employment by this time. Workers who did not report for training after they had been accepted were only slightly more likely to be employed one month after the training course ended than those who were found to be unacceptable. On the other hand, workers who dropped out of the training course prior to their completion had an even higher placement ratio (53%) than workers who completed the training course. This is attributable to the fact that many of the drop-outs withdrew in order to take a job.

As time elapses following completion of the training course, all of the sampled groups improve their employment status, but it is notable that the workers who completed the training course make a more substantial improvement with the passage of time than those who dropped out prior to completion. The data in Table Ib represent the labor force status of the West Virginia workers in April 1963, approximately nine months after the initial interview surveys. It is seen that the workers not referred to training continued to have employment rates well below those enjoyed by workers who had completed training in each of the three areas. The exceptionally high employment ratio for those who completed training in Kanawha County can be explained by the fact that the training courses were designed for employment in a single large firm in the area and a job was virtually guaranteed to all trainees. A notable finding is that a relatively large proportion of the trainees withdrew from the

labor force in the months following their training. Of those who completed their training course, 9% were no longer in the labor force three months following the course and the percentage had increased to fourteen among the small sample of completions available twelve months after the end of their course. Those whose applications for training had been rejected had especially high rates of non-labor force status. As is noted in Table Ib, 19% of the workers who had completed their training course in the Huntington area were no longer in the labor force in April 1963, at least nine months after the course completion.

These high rates of withdrawal from the labor force may result from a paucity of employment opportunities, but they may also reflect a lack of commitment to the labor market among many of the workers selected for retraining. The tendency for trainees to withdraw from employment--and, often, from the labor force--is especially noticeable in such training occupations as nurse aides and waitresses. These are often cited as shortage occupations, but the chronic shortage may very well reflect low wages, undesirable working conditions and high turnover. The work histories of many of the women attracted to these training courses reveal only a marginal attachment to the labor force. It must be assumed that in some cases the training allowance serves as a principal inducement for retraining in low-level service occupations.

In surveys we have conducted in Harrison and Monongalia counties, West Virginia*, one-fourth of the nurse aides and waitresses, who had completed their training courses in these occupations, were no longer in the labor force at the time of the initial interview. On the other hand, very few of the male trainees (4.4 per cent) had withdrawn from the labor force following completion of their courses.

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*Under the supervision of Professor Harold Gibbard, West Virginia University

TABLE 2

Attitudes toward Retraining of Workers not Referred to Training

a) Now you say you were not accepted for the training for which you applied?

1) Did you feel that you could have done that type of work?

	No.	%
Yes	116	95.1
No	4	3.3
Don't know	1	.8
Not ascertained	1	.8

2) Did you take the qualifying tests?

	No.	%
Yes	114	93.4
No	7	5.7
Not ascertained	1	.9

3) Did you think the tests were fair?

	No.	%
Yes	87	75.7
No	23	20.0
Don't know	3	2.6
Not ascertained	2	1.7

b) After the tests, what did they tell you about your results?

	No.	%
Employment Service failed to inform Respondent that he had not been accepted.	20	17.4
Employment Service informed Res. that he was not accepted, but only after a considerable time lag.	5	4.3
Employment Service told Res. he passed exams but was not accepted for other reasons--age, sex, disabilities, injuries, nervousness, class full, etc.	8	6.9
Employment Service informed Res. he was not accepted in a more or less mechanical way, did not explain anything, sent only a letter, showed no interest in him as a person, etc.	52	45.2
Employment Service explained where Res. had failed or passed. May have indicated his possible aptitudes, other courses he might take or other exams, etc.--in general, showed interest in Respondent.	23	20.0
Respondent never really understood why he was rejected, though perhaps the Employment Service tried to explain it to him.	1	.9
Respondent feels race was a factor in his rejection	1	.9
Don't know; no comment.	1	.9
Not ascertained.	3.5	4

TABLE 2 (Cont'd.)

c) How do you feel about not being accepted?	No.	%
Respondent accepted fact of not being able to qualify.	41	33.6
Respondent is disappointed, discouraged, etc. because of not being accepted.	38	31.1
Respondent expressed lack of confidence in methods of testing and selection of the Employment Service--not fair, etc.	10	8.2
Res. feels Employment Service should have provided some help to him even though he did not qualify.	7	5.7
Res. does not know yet or does not fully understand why he was not accepted.	11	9.0
Res. feels there was racial discrimination in testing and selection, etc.	3	2.5
Don't know; no comment.	8	6.6
Not ascertained.	4	3.3

Attitudes of Non-Trainees

The differential employment experience of trainees and non-trainees can be illuminated by reference to the preliminary data on attitudes of non-trainees, drawn from the West Virginia surveys and presented in Tables 2, 3 and 4. Those who applied for retraining but were found unacceptable felt overwhelmingly that they could have done the work in the training occupation to which they aspired. Only 4 per cent indicated that they were not qualified (Table 2). Almost all of these so-called rejects took the general aptitude tests administered by the Employment Service, and three-fourths felt that the tests were fair in spite of their disqualification.

The bitterness of many of the "rejects" was directed not at the tests but at the Employment Service. Only one-fifth felt that the local office personnel took appropriate steps in informing the applicant of the reasons for his failure and in counselling him concerning his future course in the labor market. Seventeen per cent first learned of their non-acceptance from the survey interviewer, even though considerable time had elapsed since their applications had been processed in most cases. The discouragement and bitterness evinced by the "rejects" lead to the conclusion that a major opportunity for fruitful counselling can be found among these unemployed workers.

A surprisingly large proportion of workers do not enrol in a training course after having been accepted on the basis of their test results and interviews. Thirty-six per cent of these did not report for training because they found employment prior to the beginning of the course (Table 3). Because of limitations in training facilities or prospective employment opportunities, 27 per cent could not be accommodated in the training course.

For dropouts, too, the temptation of an immediate job is a major factor in their decision to withdraw from the retraining program (Table 4). Dropouts

TABLE 3.

Reasons for not Reporting after Acceptance for Training

	No.	%
Got job	23	36.5
Health reasons--Res. or member of family was ill.	5	7.9
Bad hours, hours conflicted with a job, etc.	3	4.8
Couldn't afford the expense	5	7.9
No class openings	17	27.0
Thought I could not learn that work	0	0.0
Family responsibilities	1	1.6
Other	9	14.3

TABLE 4.

Reasons for Dropping out of Training Course

	No.	%
Respondent got job or was recalled to work	65	32.8
Health Reasons	13	6.5
Health reasons--member of Res.'s family was ill	10	5.5
Couldn't afford foregone wages	21	10.6
Bad hours or hours conflicted with job	15	7.5
Res. became generally dissatisfied	29	14.6
Res. thought he couldn't learn the work	4	2.0
Res. dropped for cause--excessive absenteeism	1	.5
Res. dropped for cause--other.	1	.5
Dropped out to study for job test	1	.5
Other reasons	4	2.0
Not ascertained	2	1.0

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were especially numerous under the West Virginia Area Vocational Program because trainees do not receive a weekly allowance during training under this program.

Age as a Selective Factor

Non-accepted applicants for retraining are considerably older than those who are referred to the courses by the Employment Service. As is seen in Table 5, in one area of West Virginia almost half of the "rejects" were over 45 years of age in contrast with only 14.6 per cent of accepted applicants. The higher age of the "rejects" contributes to their failure to pass the aptitude tests and also serves as an independent factor causing their rejection by Employment Service counsellors. Thus the youth of trainees in government programs, relative to the average of the unemployed, can be explained only in part by the lack of motivation of older workers. Even those who are sufficiently well motivated to apply for admission to a retraining course are less likely than younger workers to have their applications accepted.

Retraining and Relocation

Relocation of retrained workers will frequently be necessary if the retraining investment is to bear fruit in job placement. This is especially true of retraining in depressed areas. It is not always recognized that the acquisition of new skills through a retraining program is in itself a powerful inducement to move out of an area of limited employment opportunities. In the study of McDowell County, West Virginia--a depressed coal-mining area--it was found that almost one-third of the trainees under a state program for the unemployed had moved out of the county by the time of the interview survey. We managed to track down over 100 of the West Virginia out-migrants through mail questionnaires and personal interviews. In a preliminary tabulation, over 40 per cent indicated that their decision to move had been influenced by

TABLE 5

AGE DISTRIBUTION OF NON-REFERRED AND WORKERS WHO HAVE BEEN ACCEPTED FOR RETRAINING, Harrison-Monongalia Counties, West Virginia

AGE	ACCEPTED FOR RETRAINING		NOT ACCEPTED FOR RETRAINING	
	NUMBER	PER CENT	NUMBER	PER CENT
17-19 years of age	4	1.3	1	1.9
20-24	93	30.8	11	21.2
25-34	87	28.8	3	5.7
35-44	64	21.2	9	17.3
45, and over	44	14.6	25	48.1
Age not Available	10	3.3	3	5.8
Total	302	100.00	52	100.00
Median	31.5	---	39.9	---

their training. However, only half of these were employed, as compared with over 60 per cent of the total out-migrant group and roughly the same percentage who find employment under all ARA retraining programs.

One lesson to be learned here is that the major role of relocation allowances could be not to induce more out-migration but rather a more rational outmigration. By making the allowance contingent upon a move to known job opportunities, much fruitless geographic movement could be avoided. A second lesson is directly related to the planning of training programs in depressed areas. Less than 3 per cent of the outmigrants were over 50 years of age. Training courses for unskilled older workers are most effective in low service occupations, geared to local opportunities. Younger workers in depressed areas can benefit from training in welding or some of the expanding occupations which presuppose their migration to areas in which industrial growth is taking place.

Trainee Views on Retraining

West Virginia workers who experienced retraining were well pleased with the training they had received, but their satisfaction diminished somewhat with the passage of time following the completion of the course. Of 86 workers who were still engaged in training at the time of the initial interview surveys, 77 per cent "liked the course very much" and 86 per cent felt that they had chosen "the right course". Among 627 workers who had completed the retraining course or had withdrawn from the course at the time of the initial survey, 64 per cent "liked the course very much" and 70 per cent felt that they selected the appropriate course.

On the other hand, respondents' views on the difficulty of the course material appeared to benefit from a sense of detachment. Whereas 21 per cent of the "In Training" sample found the course "pretty hard," only 12 per cent of the "Dropouts" and "Completions" expressed this view. The remainder in

both groups found the course "pretty easy" or "about right."

Relatively few persons withdrew from retraining because of difficulties with the course material. From the standpoint of the trainees, it appears that the aptitude testing is accurately gauged to the course material; but there is reason to believe that a reduction in standards for selecting trainees in the typical ARA courses would not greatly increase the drop out rate attributable to difficulties with the course material.

Employer Experience with Retrainees

The proof of retraining must be sought in post-training employment experience and the values found in the programs by potential employers. Unfortunately, our data on employer views are even more meager than those for trainees. However, a sample survey of 44 West Virginia employers provides some insights into employer reactions to the ARA and state programs. On the basis of their experience with the trainees they had hired, 47 per cent of the employers indicated that the qualifications of the trainees were "good" and 32 per cent stated that they were "adequate". The remainder noted inadequacies in qualifications or were unable to express an opinion. Although most of the employers expressed satisfaction with the quality of instruction and placement procedures, their major reservation was on the length of the training course. Thirty-five per cent stated that the course was too short, and only slightly more than half felt that it was about right in length.

The major suggestions for improvements in the retraining program made by employers were 1) an increase in the length of the training course, 2) more effective standards for screening and selecting trainees, and 3) greater efforts to place trainees in the specific jobs for which they were trained.

On-the-Job and Training for Specific Employers

The immediate employment effects resulting from government subsidized retraining could be enhanced by subsidized on-the-job training. The on-the-job training provisions of the MDTA are just now in the process of being implemented for the first time since passage of the Act over a year ago. However, a number of the ARA retraining programs have been so closely geared to the needs of a single employer that they provide a useful experience by which to judge some of the advantages--as well as some of the pitfalls--of on-the-job training for the unemployed.

The immediate job placement record of retraining will obviously be greater if the unemployed are assured of employment in a designated firm even before they are trained. The trainee benefits in morale and the employer is provided with employees trained to the specifications of his particular job. The subsidy to the employer embodied in Government-financed retraining can be a more direct and more attractive inducement to his expansion of employment opportunities when he gains greater control of the retraining procedures and content. Our surveys indicate that many employers, especially in such service occupations as auto repair and nurses' aids, would prefer this type of arrangement. Almost 40 per cent of the employers preferred government subsidies for on-the-job training over the use of vocational school facilities, as now generally practiced under ARA and MDTA. In view of the slow start of the MDTA and the continuing shortage of vocational school facilities and instructors, it is not likely that the goal of 400,000 trainees can be achieved in three years without widespread use of on-the-job training.

But caution must be observed to ensure that much of the training is extended to unemployed workers and not only to the upgrading of existing employees. Our analysis indicates that many employers might prefer to use the government-subsidized retraining provisions in ways which offer little

benefit for the hard-core unemployed. An analysis of several ARA training programs in West Virginia and elsewhere, where courses have been designed to fill the needs of a specific employer, indicates that the job-placement ratio is considerably higher than average, but that the selected trainees are younger and better-educated than other ARA trainees. In some of these firms, all of the employed trainees are under 45 and have completed a high school education.

Care must also be taken to see that employees are assured some continuity of employment after their government-subsidized on-the-job training. Workers trained for a specific job in a specific plant will be placed in a vulnerable position if they are again set adrift among the unemployed. There have been some unfortunate experiences along this line under ARA programs geared to a specific employer.

Human Investment in Long-Run Economic Growth

Although the preceding discussion has been couched primarily in terms of the short-run employment function of government-subsidized retraining, it is desirable to conclude with the long-run values of retraining with which this statement began. If retraining is to make its maximum contribution to the attainment of full employment and long-run economic growth, it will be necessary to broaden selection standards to include more older, less-educated and minority-status unemployed. But the Employment Service must not then be judged by the traditional standards of an immediate job-placement ratio.

Our surveys indicate that the trainees, themselves, take the long-run view. Most undertake retraining not simply to obtain <u>any</u> job, but to obtain a better job than they have known in the past, one which can be more secure and more productive.